

NEW SOUTH WALES.

BUSINESS STATISTICS - WEEKLY NOTES.

16th April, 1940.

This Week's Notes include:-

PART I SEASON: General substantial rains.

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS: Export prices steady. Economic effects of the occupation of Denmark, and the Norwegian campaign - Moderate movements on London and New York Stock Exchanges.

WOOL: Main appraisements concluding - South African sales - Issue prices in U.K. pegged till Aug. 31.

WHEAT: Advance in oversea futures - U.S. winter wheat. Progress of disposal of Australian export surplus. Second advance, No. 1 pool. Board's prices up $2\frac{1}{2}$ d. p.b.

BUTTER: Improved seasonal prospects - Britain's dairy supplies affected by Germany's new offensive.

METALS: Tin slightly dearer. Silver steady. World production, consumption and stocks of tin.

PART II INTERNATIONAL CURRENCY RELATIONS: Reactions of free market to new war developments. Official statement on Britain's foreign exchange policy.

PART III WHOLESALE TRADE, N.S.W.

- Sales under Sales Tax Acts - Feb. and Jan.-Feb., 1940.
- Employment in N.S.W. - February, 1940.

OVERSEA TRADE - AUSTRALIA.

- Commodity Trade - March and July-Mar., 1939-40.

PART IV BUILDINGS COMMENCED, METROP. WATER BD. AREA.

- Value and) March and March Qr., 1940.
- No. of Houses)

MOTOR VEHICLES, N.S.W.

- New Motor Sales - March, 1940.
- Total Registrations at 31st March, 1940.

RAILWAYS, N.S.W.

- Passengers, Freight and Finance - Feb.& July-Feb., 1939-40.

ROAD TRANSPORT SERVICES - Sydney and Newcastle.

- Passengers and Finance - Feb. and July-Feb., 1939-40.

BUSINESS STATISTICS - WEEKLY NOTES - 16th APRIL, 1940.

PART I. PRIMARY AND EXPORT INDUSTRIES.

SEASON: Practically the whole of the State received soaking rain late last week and prospects for wheat sowing and germination and winter pastures are now favourable. Some rain has fallen in the Upper Hunter Valley but not enough to fully relieve long-standing drought conditions there.

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS: Australian export prices are at a level about 20 per cent. higher than in 1938-39. Existing arrangements for disposal of major export products assure maintenance of that level during this season. The market for wheat, much of which is unsold, appears to be improving. The index number in Australian Currency (Commonwealth Bank) is 81.4 per cent. of the 1927 average compared with 64 per cent. of that average a year ago.

INDEX OF AUSTRALIAN EXPORT PRICES IN AUSTRALIAN CURRENCY.
Average, Calendar Year 1927 = 100.

	<u>Average - Years ended June.</u>					<u>April 15.</u>	
	<u>1927- 29.</u>	<u>1930- 32.</u>	<u>1933- 35.</u>	<u>1936- 38.</u>	<u>1939.</u>	<u>1939.</u>	<u>1940.</u>
Index No.	95	59	66	83	66	64	81

The occupation of Denmark by Germany will deprive Britain of Danish butter, bacon, etc. which were important. Holland is now the only Continental country likely to supply dairy products in any quantity. Britain's reliance upon Empire supplies will consequently be increased. The intensified blockade will seriously affect future agricultural production in Denmark. In certain circumstances, these may have far reaching effects on post-war trade in dairy products. All Northern Europe is now barred to American shipping under the U.S. Neutrality law.

Industrial securities on London and New York Stock Exchanges eased during the past week but the reaction to the new war situation was slight. Free commodities tended firmer in London.

WOOL. The main appraisements of wool in Sydney for this season will end on April 19, and within a fortnight of that date all growers will have been paid 90 per cent. of the appraised value of the wool dealt with.

At last week's South African auctions a good demand for all descriptions of wool was reported. France and England were the principal buyers and purchases were made on Italian account.

The British Wool Control Board has announced that the present issue prices for wool in the United Kingdom will be unchanged until August 31. This will give exporters a basis for business for some months ahead. The export of woollen fabrics was increasing but the extension of the war to Denmark and Norway has affected export opportunities. Because of requirements for the Allied forces practically no cross-bred wool is available for civilian or export trade.

There is, as yet, no indication as to the extent to which Australia will benefit by profits on the resale of wool to neutral countries. The agreed price under the British purchase of the Australian 1939-40 clip (13.4375d. Aust. per lb.) is 30 per cent. above the average price realized at auction in 1938-39. A year ago the average price was 10.2d. per lb. (greasy). Other price comparisons are:-

/AVERAGE.....

PART I. (Continued.)

AVERAGE PRICE OF GREASY WOOL IN SYDNEY.

SEASONS ENDED JUNE -

	<u>1926-</u> <u>29.</u>	<u>1931-</u> <u>33.</u>	<u>1936-</u> <u>38.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.(a)</u>
Pence (Aust.) per lb.	17.2	8.5	14.3	12.7	10.3	13.4

(a) Agreed price under British purchase; subject to addition of one-half profit on resale of raw wool outside the United Kingdom.

WHEAT. The extension of the war to Scandinavia synchronised with official estimates of an extremely small winter wheat crop in the United States. Futures quotations rose about 4 cents per bushel over the past week in Chicago and rose slightly in Winnipeg. Now traders are reported to be less inclined to look for higher prices, since the tightening of the British blockade means a reduced export outlet. The United States Dept. of Agriculture has issued a forecast of 426 million bushels for winter wheat. This compares with 551 m.b. in 1939, 687 m.b. in 1938 and an average of 497 m.b. in the five years ended 1937. In March the carry-over of the Pacific Coast (U.S.A.) was estimated to be 20 million bushels and this wheat is likely to compete with Australian in Eastern Markets. India's forecast of 400 million bushels seems likely to be realized and some wheat has been exported already.

It is reported that there is a possibility of the sale of 200,000 tons of Australian flour (equivalent to 9.6 million bushels of wheat) being made to Japan.

The Chairman of the Australian Wheat Board stated last week that 95.67 million bushels of 1939-40 wheat have been sold, and about 72½ million bushels remain for disposal overseas of which normal sales for export flour would account for about 17¼ million bushels.

Payment of the second advance on the No.1 wheat pool (which covered a relatively small part of the 1938-39 crop taken over on 8.10.39) began on April 9. This second advance brings total payments to N.S.W. farmers, f.o.b., Sydney to 2s.8d. for bagged and 2s.6d. for bulk wheat, less rail freight (about 5½d.) and other charges. The net rates per bushel at country sidings are 2s.5d. for bagged and 1s.11.7d. per bushel for bulk wheat less actual rail freight. The first advance (1s.4d. per bushel) was made in Nov.1939.

The first change in the Board's prices on the local market since Dec.20, 1939 was made on April 12, 1940. An all-round increase of 2½d. per bushel was made, because of the generally higher quotations on overseas exchanges latterly. Substantial orders for flour for export were reported prior to the advance in prices. These are now for silo wheat for small export orders and for flour for local trade, 4s. per bushel, f.o.r., Sydney and for bagged wheat (export) 4s.3d. per bushel, f.o.r., Sydney.

Flour for local trade was steady at £12.10s. per ton (including tax).

PART I. (Continued.)

PRICES OF BULK WHEAT - NEW SOUTH WALES.

	Ex Trucks, Sydney.	Equivalent, Ex Farm, Country Siding. (a)
	s.d. per bushel.	
Average - Seasons 1930-31 to 1934-35	2 9½	2 2½
- Season 1936-37	5 3	4 8
- " 1938-39	2 6½	1 11
- March, 1939	2 4	1 8½
- " 1940	3 9½(b)	(c)
April 13, 1940	4 0 (b)	(c)

(a) Excluding bounty. (b) Prices for sale for local consumption.

(c) Farmers have been advanced 2s.6d. a bushel less freight.

A further substantial payment is likely if the surplus is sold.

BUTTER. The production of butter has been maintained on the North Coast, but elsewhere, owing to the dry summer, is unseasonably low. Useful rain has now fallen in all dairying districts but it is too late in the season for output to increase very significantly. In Queensland production is likely to be heavy for some months to come.

The local wholesale price of butter is 158s.8d. per cwt. (unchanged since June 8, 1938.)

Occupation of Denmark by Germany and the cutting off of supplies from Scandinavian and Baltic countries will affect considerably Britain's imported supplies of dairy products. Particulars of origin of certain dairy products imported into Great Britain and of home production in 1938 are given below:-

IMPORTS OF CERTAIN DAIRY PRODUCTS INTO UNITED KINGDOM, 1938.

Country from whence imported.	Butter. cwt. 000	Cheese. cwt. 000	Bacon. cwt. 000	Ham. cwt. 000	Eggs. Gt. Hundred. 000.
Canada	30	678	1,275	232	150
Eire	327	20	537	16	2,228
Australia	1,798	238			1,010
New Zealand	2,582	1,369			
All Empire Countries	4,803	2,598	1,812	248	3,674
Denmark	2,365	19	3,389		9,511
Netherlands	712	202	515		5,933
Poland	199		456		2,621
Sweden	300		251		485
Lithuania	228		190		479
All Foreign Countries	4,706	330	5,056	417	24,023
Total Import	9,509	2,928	6,868	665	27,697
<u>Production.</u>					
United Kingdom	(800?)	868	3,236		35,500

/In December.....

PART I. (Continued.)

In December last the Ministry of Food contracted to purchase bacon and hams at the rate of 2,600,000 cwt. per year from Canada over a period extending to 31st Oct., 1940.

The agreed price (137s.2d. Aust. per cwt.) for the British purchase of Australian butter in 1939-40 is 11s. (Aust.) above the export parity of sales on the London market a year ago. The course of butter prices in recent seasons was as follows:-

PRICES OF BUTTER - EXPORT AND LOCAL.

	Average - Seasons ended June -				At April 12.	
	1929-32.	1933-36.	1937-39.	1939.	1939.	1940.
	Shillings (Australian) per cwt.					
Export Parity	135	88	122	123	126	137(a)
Local Sales	173	134	150	159	159	159

(a) Agreed price for British Purchase, 1939-40.

METALS. Prices of lead, zinc and copper have continued unchanged in London since their fixation by the British Ministry of Supply on Dec. 11, 1939 on the basis "Delivered to buyer, duty paid" at:-

	£stg.
Copper (Electrolytic)	62 0 0 per ton.
Lead (Soft, Foreign)	25 0 0 " "
Spelter	25 15 0 " "

On the open market in London the price of tin was slightly higher last week. It was a little below the average price in March, (£stg. 251.17s.6d.) at the end of the week (£stg. 250 7s.6d.) Traders expect the price to remain in the vicinity of £stg. 250 or higher per ton for some time.

Statistical comparisons published by the International Tin Research and Development Council covering the first six months of the war show that production has more than doubled in comparison with the preceding six months. As tin is an Empire product selling on world markets the increase in consumption (and price - from £stg. 225 in March-Aug., 1939, to £stg. 237 in Sept.-Feb., 1939-40) is a factor in augmenting Empire resources of foreign exchange.

WORLD CONSUMPTION, DELIVERIES, CONSUMPTION AND STOCKS OF TIN.

	<u>Production.</u>	<u>Deliveries.</u>	<u>Apparent Consumption.</u>	<u>Total Stocks.</u>
	tons.	tons.	tons.	tons.
Mar.-Aug., 1939	61,100	65,724	80,000	34,608
Sept.-Feb. 1939-40	128,200	97,454	104,800	47,525

Silver was 1s.8⁷/₈d.(stg.) per oz. at the end of last week, showing little movement from the recent level.

PART II. INTERNATIONAL CURRENCY RELATIONS.

	Price of Gold (London)	Rate of Exchange.			
		London on New York.	London on Paris.	New York on London.	New York on Paris.
	Per oz. fine.	\$ to £stg.	Fr.to £stg.	\$ to £stg.	\$ to Fr.100
	£. s. d.	(Pegged from Sept.1939)		(Open Market.)	
Average-1937	7 0 9	4.94	124.6	4.94	4.04
" -1938	7 2 6	4.89	170.6	4.89	2.88
" July, 1939	7 8 6	4.68	176.7	4.68	2.65
" Aug., "	7 10 6	4.61	176.4	4.61	2.62
" Feb., 1940	8 8 0	4.03	176.6	3.96	2.25
" Mar., "	8 8 0	4.03	176.6	3.75	2.13
March 2, 1940	8 8 0	4.03	176.6	3.93	2.23
" 30, "	8 8 0	4.03	176.6	3.93	2.00
April 6, "	8 8 0	4.03	176.6	3.58	2.03
" 13, "	8 8 0	4.03	176.6	3.52	2.00

In the free exchange market in New York sterling was steady at from \$3.55 to \$3.58 to £stg. during the week ended April 6 but fell sharply on April 9, 1940 when Germany extended the field of warfare to Denmark and Norway. A low point of \$3.235 to £stg. was touched and the closing rate was \$3.46. There was a recovery to \$3.55 by Thursday (11th).

Sir John Simon stated in the House on April 9 that the recent fall in the unofficial rate for sterling on foreign markets was in no way a sign of financial weakness or difficulties, but was an incidental result of the tighter control over foreign exchange. Intervention to support sterling in the free markets was considered unwise. The Government adhered to the policy of freedom for foreigners to dispose of assets invested in or on deposit in Britain and the Chancellor stated "sterling is good to hold and I believe this opinion is spreading to neutral countries." Relatively little of foreign held sterling assets have been withdrawn.

This policy displeases some British financial experts who contend that the Treasury is over considerate toward foreigners who have accepted the convenient security of British assets.

The "Times" interprets the slump in sterling in the free market as indicating the necessity for still closer control, and as another challenge to Britain to expand her export activities.

Quotations of exchange on Denmark and Norway have been suspended in London and Australia and quotations for Sweden in London are nominal.

PART III. FINANCE AND TRADE.

WHOLESALE TRADE. The value of goods sold at wholesale in New South Wales (as recorded under the Sales Tax Acts) in February, 1940 was £14.64 million. This was below the total for February, 1938 or 1939. Sales of taxable goods decreased by 4.7 per cent.- reduced new motor sales were a factor - and the total for exempt goods was 16 per cent. lower than in February, 1939.

In the six months ended February sales were £105.5 million in 1939-40, compared with £96.8m. in 1938-39 and £97.2m. in 1937-38.

Monthly particulars of sales in recent months and those of one and two years earlier are as follow:-

SALES RECORDED UNDER SALES TAX ACTS, NEW SOUTH WALES.

	Average, July-Sept.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Average, Sept.-Feb.
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
1937-38	16.7	16.3	16.5	17.4	17.2	14.2	15.7	16.2
1938-39	16.3	17.4	15.7	16.9	17.0	13.2	16.5	16.1
1939-40	17.2	19.4	19.2	17.5	18.3	16.3	14.6	17.6

In February, 1940 the number of persons employed in wholesale establishments with ten or more employees was 25,674 having increased only 119 compared with February, 1939. Employment in this sphere covers most of the activity represented by the recorded sales given above but it is probable that the greater part of the increase in the value of sales is due to direct supply of military requirements by factories. Higher prices are also a factor. The coal strike apart, war expenditure, greater employment and higher rural and industrial incomes should tend to maintain trade generally at a high level.

WHOLESALE TRADE - NEW SOUTH WALES.

	Sales by Registered Traders.			Employment with Whole-	
	Month of February.	Two Months ended Feb.	Increase over Jan.-Feb. of Preceding Year.	sale Firms with Ten or more Employees.	
	£ million.	£ million.	Per cent.	January.	February.
				Persons.	
1932	9.52	19.41	1.9	17,638	(June, 1933)
1937	14.64	28.38	18.3	22,833	24,318
1938	15.72	29.93	5.5	24,523	24,857
1939	16.54	29.78	(-) 0.5	25,381	25,555
1940	14.64	30.97	4.0	25,614	25,674

Minus sign (-) denotes decrease.

OVERSEA TRADE - AUSTRALIA (Merchandise). In March, 1940 value of imports (£stg. 9.6 million) and of exports (£stg. 10m.) were approximately 11 per cent. above the values in March, 1939. Exports, which have been at a high level over the past five months, seem likely to continue so, due to higher export prices, the quantity of wool yet to be shipped and probable heavy exports of butter, meat, etc.

Import values generally are affected by higher oversea prices and increased costs of ocean transport. March imports fell much below the unprecedented totals for January and February. These included imports of military aircraft from America, as well as goods ordered before quantitative restriction was applied to certain imports from non-sterling countries. By months the value of imports in this and two preceding years was:-

/IMPORTS.....

PART III (Contd.)

IMPORTS OF MERCHANDISE - AUSTRALIA. VALUE, £ MILLION.

	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total 9 Months.
1937-38	8.8	9.0	9.5	9.3	10.8	9.4	9.2	9.1	9.7	84.7
1938-39	8.6	9.5	7.9	8.2	8.8	7.7	8.2	8.2	8.7	75.8
1939-40	8.9	9.2	6.8	7.3	7.4	7.7	11.5	13.9	9.6	82.4

Exports in the nine months totalled £stg.83.6 m. and increased by £stg.7.6 m. in comparison with July-Sept.1938-39.

The export surplus for the nine months was £stg.1,237,000 this year compared with £stg.236,000 in July-Mar., 1938-39 and £stg.21,330,000 in the corresponding period of 1936-37. There is urgent need for Australia to build up reserves of foreign exchange and a further series of restrictions upon imports from non-sterling countries has been imposed (see W.N. 9.4.40). The Commonwealth Government is seeking the co-operation of important industries in devising means of excluding all unnecessary imports so that all possible foreign credits may be available for war purchases.

OVERSEA TRADE - AUSTRALIA.

	March.		Nine Months ended March.				
	1939.	1940.	1936.	1937.	1938.	1939.	1940.
	Value in £stg. million						
Merchandise - Exports	8.97	9.99	78.73	88.55	85.49	76.03	83.61
- Imports	8.67	9.62	63.56	67.22	84.71	75.79	82.37
Commodity Balance	.30	.37	15.17	21.33	.78	.24	1.24
Bullion & Specie - Exports	1.04	∅	8.44	8.50	10.34	11.33	∅
- Imports	.19	∅	1.23	1.55	1.57	2.22	∅
Bullion & Specie Balance	.85	∅	7.18	6.95	8.77	9.11	∅
Total Balance	1.15	∅	22.35	28.28	9.55	9.35	∅

∅ Particulars of bullion and specie movements not available.

PART IV. INDUSTRIES.

BUILDING INDUSTRY.

BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.

(Including Government Buildings.)

Building activity tends to decline. Buildings commenced in March (£795,000) were 26% below the total for March, 1939 and in the 7 months ended March, 4% less this year than in 1938-39. In recent months amounts for all classes of buildings (except business premises, sustained by inclusion of £411,000 for G.P.O. extensions) were less than a year ago. Houses show the least and flats the greatest decline.

The number of dwelling houses commenced was 525 in March and 4,355 in Sept.-Mar., 1939-40 and 95 and 335, respectively, less than a year earlier.

(Note: These figures include all new Government and Private Buildings to be connected with water. They are included in the month building fee is paid which is usually immediately before the building is commenced.)

Buildings to cost £795,000 were commenced in the Metropolitan Water Board Area in March, 1940. This was £279,000 and £179,000 less than in March, 1939 and 1938, respectively, and with two exceptions (December, 1938 and 1939) the lowest total for any month since June, 1937. Over the war period (seven months) the value of buildings commenced was 4 per cent. less than in Sept-March, 1938-39.

The aggregate in March quarter was very little lower in 1940 than in 1939, partly because the total in January included the G.P.O. extensions to cost £411,000. With allowance for that, and a considerable volume of defence buildings likely to be non-recurrent, figures for recent months indicate that private building activity, already appreciably below that of a year ago, tends to fall away further. Comparisons for buildings commenced are:-

BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA. (Government and Private).

Value in Thousands of Pounds.

	Monthly Average		Monthly Totals.							Total 7 months.
	Mar.-Aug.	Sept.-Mar.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Sept.-March.
1937 & 1938	924	1041	1074	936	1158	1055	1168	919	974	7,284
1938 & 1939	1143	953	972	846	989	788	949	1053	1074	6,671
1939 & 1940	1089	918	840	931	1044	555	1371 ^x	887	795	6,423 ^x

x. Including G.P.O. extensions, £411,000.

The decline is apparent in both the city and the suburban areas (including Government buildings):-

	VALUE OF BUILDINGS COMMENCED - £1,000					
	CITY			SUBURBS		
	March.	March Quarter.	September - March.	March.	March Quarter.	September - March.
1937-38	54	368	1,167	920	2,693	6,117
1938-39	64	553	915	1,010	2,523	5,756
1939-40	42	582 ^x	935 ^x	753	2,471	5,488

x Including G.P.O. Extensions, £411,000.

/Over....

PART IV. (Continued.)

Over the seven months of the war period the total value for each major type of building was much the same as a year earlier, except for a decline of nearly 20 per cent. for flats. The comparisons are:-

<u>Sept.-March.</u>	<u>Houses.</u>	<u>Flats.</u>	<u>Business Premises.</u>	<u>Miscel- laneous.</u>	<u>Total.</u>
	£000	£000	£000	£000	£000
1938-39.	3,438	1,153	1,659	421	6,671
1939-40.	3,337	926	1,727	433	6,423

For business premises commenced totals were lower in five of the seven war months than a year earlier:-

VALUE OF FACTORIES, SHOPS, OFFICES, WAREHOUSES, ETC. COMMENCED.

	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Total 7 Months.</u>
	Thousands of Pounds.							
1937-38	315	244	312	307	515	274	171	2,138
1938-39	213	182	240	212	155	360	297	1,659
1939-40	196	168	312	114	657	144	136	1,727

In March, 1940 compared with March, 1939 decreases were considerable in each class and least for houses (8 per cent.) Amounts for March quarter showed only slight decreases from 1939 to 1940 except for buildings such as churches, theatres, schools, etc., (which decreased in value by over 40 per cent.) and an increase for business premises due to the exceptional total for January, 1940. Details are:-

BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.

Inclusive of Government Buildings and Alterations and Additions.

Type of Building.	March.		March Quarter.				
	Value in Thousands of Pounds.						
	1939.	1940.	1936.	1937.	1938.	1939.	1940.
Dwelling Houses	510	469	948	874	1,303	1,482	1,453
Flats	245	170	388	287	682	505	502
Business Premises (a)	297	136	597	766	960	812	937
Miscellaneous (b)	22	20	123	164	116	277	161
Total	1,074	795	2,056	2,091	3,061	3,076	3,053
City Buildings	64	42	510	428	368	553	582
Suburban "	1,010	753	1,546	1,663	2,693	2,523	2,471

(a) Factories, Shops, Warehouses, Offices, etc.

(b) Theatres, Halls, Churches, Schools, etc.

Building prospects are affected by policy regarding finance for the building of houses and flats, the demand for factory premises created by war-time industrial expansion, higher costs of building, rising incomes and tendencies of some people to seek security of capital in real estate and of others to refrain from building in uncertain times.

DWELLING HOUSES. During March, 1940 the number of individual dwelling houses commenced in the Water Board Area was 525 compared with 620 in March, 1939 and 677 in March, 1938. The comparison was affected by the inclusion of the whole Easter period in March of this year, but monthly totals indicate a decrease in this class of building in recent months:-

/Number.....

PART IV. (Continued.)

Number of Individual Dwelling Houses Commenced.

	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>March.</u>	<u>Total</u> <u>Sept-Mar.</u>
1938-39	643	637	681	535	582	657	620	4,355
1939-40	617	647	626	390	600	615	525	4,020
Decrease(-)								
or	-26	+10	-55	-145	+18	-42	-95	-335
Increase(+)								

Numbers commenced show a decline of 7.7 per cent. between Sept-March, 1938-39 and 1939-40. The decrease in value for the period was 2.9 per cent. House building was stimulated by activities through Co-operative building societies formed in 1937 and 1938, but the scale of operations through these societies is decreasing as their unused financial resources are approaching exhaustion. The provision of new finance to enable further substantial building under this scheme is still in doubt. Recent trends in house-building in the Water Board Area are disclosed in the appended table.

NUMBER OF DWELLING HOUSES COMMENCED - METROPOLITAN WATER BOARD AREA.

(Not including Flat Buildings.)

	<u>March</u> <u>Qr.</u>	<u>June</u> <u>Qr.</u>	<u>Sept.</u> <u>Qr.</u>	<u>Dec.</u> <u>Qr.</u>	<u>Calendar</u> <u>Year.</u>	<u>Month of</u> <u>March.</u>	<u>7 Months</u> <u>ended March.</u>
1935	941	912	1125	1065	4,043	368	1,906
1936	1273	1251	1668	1195	5,387	454	2,702
1937	1152	1212	1618	1592	5,574	406	2,942
1938	1627	1857	2120	1853	7,457	677	3,815
1939	1859	1785	2034	1663	7,341	620	4,355
1940	1740	-	-	-	-	525	4,020

MOTOR VEHICLES. New motor vehicle sales have continued to decrease. In March, 1940 the weekly average number of new cars sold (268) was 38.4 per cent. less than in March, 1939 and 46.9 per cent. below the weekly average for March, 1938. Comparable percentage decreases for new lorry and van sales were 19.1 and 40.1 per cent. The decline in new motor vehicle sales, which began in 1938-39 was hastened in the war months:-

AVERAGE NUMBER OF NEW VEHICLES REGISTERED - PER WEEK.

	<u>Cars, Cabs and Omnibuses.</u>						<u>Lorries and Vans.</u>					
	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>
1936-37	332	344	402	408	456	526	172	193	183	137	159	138
1937-38	421	483	534	427	470	505	221	246	222	163	184	177
1938-39	343	428	457	325	505	435	177	202	163	117	127	131
1939-40	314	368	344	246	333	268	145	169	127	87	110	106

(Exclusive of most military and air force vehicles).

The downward trend was initiated by declining wool and wheat prices after 1936-37 and the mild recession of 1938-39. Reactions to the war, higher motor taxation, increased prices of accessories and petrol and oil, and fears of possible petrol rationing have discouraged potential buyers of new vehicles in recent months.

The new requirement of a certificate of road-worthiness before re-registration, supplementing other factors, has contributed to a decrease in the total number of vehicles registered from 329,975 in September, 1939 to 324,735 in March, 1940. Cars decreased by 1,862 and lorries and vans by 1,184. The numbers of motor vehicles on the register at various dates were as follow:-

/NUMBER.....

PART IV. (Continued.)

NUMBER OF REGISTERED MOTOR VEHICLES IN NEW SOUTH WALES.

	1933.	1938.	1939.			1940.		
	July.	Mar.	Mar.	Aug.	Dec.	Jan.	Feb.	Mar.
	Thousands.							
Cars	148.2	201.8	214.0	216.6	216.4	215.5	215.1	214.6
Lorries and Vans	42.2	71.4	76.3	77.7	77.5	77.0	76.7	76.4
All Vehicles.	216.5	306.2	324.9	329.2	328.6	326.7	325.6	324.8

The prices of motor oils were increased 3d. per gallon on March 21, and a further increase of $7\frac{1}{2}$ per cent. was authorised in manufacturers' prices of rubber tyres and tubes.

Motor chassis and fuel are drawn almost entirely from overseas and largely from non-sterling countries. To conserve foreign exchange for war purposes the Commonwealth Government is considering means to reduce imports of petrol (a conference of interested parties affected has been called for April 22) and has announced restrictions upon the import of motor chassis from non-sterling countries.

State and municipal transport administrations have been asked to conserve petrol and crude oil supplies and to refrain from instituting new services dependent upon motor fuel. The State Government is making concessions in motor taxation on vehicles operated by producer gas.

RAILWAYS. In every month from August, 1939 to February, 1940 financial results of the State Railways improved in comparison with a year earlier. A working surplus of £453,000 in February brought the excess of earnings over working expenses (exclusive of interest, etc. charges) for the eight months ended February, 1940 to the record amount of £4,581,000. This was £1,298,000 more than in the corresponding period of 1938-39.

In the eight months gross revenue and working expenses were 10.8 and 0.6 per cent., respectively, higher in 1939-40 than in 1938-39. The principal factors in the improvement for the eight months are the increased carriage of goods (11.8 per cent. greater than in 1938-39) resulting from heavier rural production and the stimulation of industry and trade by war activities, higher passenger fares (offsetting a decrease of 6 per cent. in the number of passengers carried) and increases in certain rates of freight as from March 1, 1939.

The coal strike has caused curtailment of railway running mileage as well as direct loss of revenue due to suspension of the transport of coal. Industry is being increasingly disrupted and goods traffic will diminish accordingly. As a result erstwhile favourable prospects for the railways have been temporarily reversed.

NEW SOUTH WALES GOVERNMENT RAILWAYS.

	Month of February.			Eight Months ended February.		
	Passenger Journeys.	Goods Ton Mileage.	Working Surplus. /	Passenger Journeys.	Goods Ton Mileage.	Working Surplus. /
	Million.	Million.	£000	Million.	Million.	£000
1932	10.7	116	164	82.7	1019	2,016
1937	13.7	154	391	116.5	1204	4,014
1938	14.7	144	380	124.9	1274	4,399
1939	14.8	136	279	126.5	1198	3,283
1940	14.2	165	453	118.9	1341	4,581

/ Excess of earnings over working expenses, exclusive of interest, etc. Charges, amounting in 1938-39 to £6,575,000.

/ROAD....

PART IV. (Continued.)

ROAD TRANSPORT SERVICES. On Government Tramway and Omnibus services in Sydney and Newcastle the number of passengers carried in February, 1940 (31.2 million) was 1.2 million and 2.3 million greater than in February, 1938 and 1939, respectively. Partly this was due to the extra day in February of this year, but increased employment and travelling by soldiers, etc. also contributed to the increase. Passengers carried in the eight months ended February numbered 248.8 million this year, 246.2m. last year and 243.6m. in 1937-38.

Tram and bus fares have not been increased and these services depend upon increased traffic and economy in working for improved financial results. In the eight months ended February gross earnings were £85,400 greater and working expenses £26,700 greater this year than last year. As a result the working surplus (before meeting interest etc. charges) of £487,800 was £58,700 greater than in July-Feb., 1938-39. This was, however, £45,200 less than in the eight months of 1937-38.

Because of the stoppage in the coal mines tramway services have been curtailed and on some routes buses have replaced trams in off-peak hours.

GOVERNMENT TRAMWAY AND OMNIBUS SERVICES - SYDNEY AND NEWCASTLE.

	Month of February.				Eight Months ended February.			
	Earnings.	Working Expenses.	Working Surplus. ♂	Passengers.	Earnings.	Working Expenses.	Working Surplus. ♂	Passengers.
	£000	£000	£000	Mill.	£000	£000	£000	Mill.
1937-38	347.9	277.3	70.6	30.0	2,835	2,302	533	243.6
1938-39	346.7	291.9	54.8	28.9	2,887	2,458	429	246.2
1939-40	362.3	305.4	56.9	31.2	2,972	2,484	488	248.8

♂ Excess of earnings over working expenses, exclusive of interest, sinking fund, exchange and depreciation amounting in 1938-39 to £646,000.